



CTHS (Ontario Division) Response to the Announcement by the Minister of Finance

March 25, 2019

Dear Members:

Thursday's announcement of a \$10 Million increase to the Horse Improvement Program (HIP) funding from the Province of Ontario and the OLG, by Finance Minister Vic Fedeli, is not all new monies for the industry!

The Province announced it's replacing the \$6.5 Million Enhanced Horse Improvement Program (previously administered by OMAFRA) with an additional \$10 Million to the Horse Improvement Program (HIP), now to be administered by Ontario Racing.

What is not clear in the release, is that the former Enhanced HIP Program and the Thoroughbred Improvement Program were sub contracted to the elected Board of Thoroughbred Breeders in Ontario (CTHS (Ontario)) for administration and for direct input of how funds were to be spent on programs and industry development. Now Ontario Racing is awarding Woodbine's wholly owned for profit subsidiary, Ontario Racing Management, as sole administrator. The loss of this support from the Province has a devastating impact on Breeders and their elected organization (CTHS) and the ability to self-govern and act in the best interest of their membership. The loss of Provincial support not only removes administration, but the much needed revenue streams for existence and organization viability and survival.

The new \$3.5 Million will be divided between Thoroughbred, Standardbred & Quarter Horse breeds, with small Ontario Racing Committees determining how funds are allocated to support breeding and industry development. These committees are comprised of 5 people - 1 breeder (CTHS), 1 horsemen's group (HBPA) and 3 racetrack representatives. Again, racetracks will decide how horse people allocate their revenue! Why?

Finance Minister Fedeli stated the Horse Racing Sector plays a vital role in rural communities and Ontario's heritage. "This investment will help support Ontario's breeders and horse people and ensure the Province's horse racing community is open for business, and can create and protect jobs" Fedeli stated.

The Breeders of Ontario are being marginalized as to how their industry is managed, financed and operated by Ontario Racing, the self-proclaimed industry association. This association has enormous influence and is affiliated with Canada's largest racetrack operator (WEG) and has been tasked to spend and allocate monies that have been allocated for Breeders of racehorses in Ontario. Numerous studies commissioned to examine and advise on the horse industry have warned against allowing any one entity, racetrack, or otherwise from dominating the industry.

The Board of Directors ensure they continue to represent and advocate on the best interests of our breeders. We remain committed to negotiating and fighting for our breeders' rights for continued success and sustainability of the Thoroughbred Breeding Industry in Ontario.

Consequences and Facts:

- With the loss of the administration of breeders programs (which we have administered for over 40 years) and our revenue streams the elected breeder organization and its direct input of knowledge and investment in rural Ontario is severely marginalized and viability will be in question.
- No racetrack or racetrack association manages and decides breeders programs and funding.
- Breeders are the economic engine of rural Ontario, with the largest investment in the industry - \$1.6 Billion in economic activity created in rural communities.
- 35,000 jobs are associated to the horse industry - mainly in rural Ontario.
- Breeders know breeders' needs and economic industry necessities.
- Woodbine is continually eliminating Ontario restrictive racing opportunities creating a diminished local breeding industry and a growing international market emphasis, all operating with Ontario tax payer's monies!

On behalf of the Board of Directors
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